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SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

December 21, 2007

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Net Railcar Lease, dated as of February 24, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: North America Rail Leasing #3 LLC
(d/b/a Babcock & Brown Rail Leasing)
1 Dag Hammarskjold Plaza
885 Second Avenue, 49th Floor
New York, NY 10017

Lessee: FirstEnergy Generation Corp.
395 Ghent Road, Suite 213
Akron, Ohio 44333

Mr. Vernon A. Williams
December 21, 2007
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A description of the railroad equipment covered by the enclosed document is:

119 railcars: FEPX 990001 - FEPX 990119 (previously with CWEX reporting marks and road numbers as more particularly set forth in the attachment to the document).

A short summary of the document to appear in the index is:

Memorandum of Net Railcar Lease.

Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alvord', with a long horizontal stroke extending to the right.

Robert W. Alvord

RWA/sem
Enclosures

MEMORANDUM OF NET RAILCAR LEASE

THIS MEMORANDUM OF NET RAILCAR LEASE dated as of this 24th day of February, 2006, to that certain Master Net Railcar Lease effective as of February 24, 2006 between Babcock & Brown Rail Leasing Co. and FirstEnergy Generation Corp., an Ohio corporation (the "Lessee"), pursuant to which Schedule No. 01 has been executed, is made by the Lessee and NORTH AMERICA RAIL LEASING #3 LLC (d/b/a Babcock & Brown Rail Leasing), a Delaware limited liability company (the "Lessor", and together with the Lessee, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Lessor and the Lessee entered into that certain Master Net Railcar Lease and Schedule No. 01 thereto effective as of February 24, 2006, (hereinafter as the same may from time to time be amended, modified or supplemented, the "Agreement"), covering the equipment listed on Exhibit A hereto (the "Cars");

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Agreement, and the respective interests therein of the Parties and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Cars to the Lessee in accordance with the terms and conditions of the Agreement, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

This Memorandum of Net Railcar Lease may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has caused this Memorandum of Net Railcar Lease to be executed by a duly authorized officer as of the day and year first above written.

NORTH AMERICA RAIL LEASING #3
(d/b/a Babcock & Brown Rail Leasing), as Lessor

By: 

Name: Ross Sullivan

Title: Vice President

FIRSTENERGY GENERATION CORP., as Lessee

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the undersigned has caused this Memorandum of Net Railcar Lease to be executed by a duly authorized officer as of the day and year first above written.

NORTH AMERICA RAIL LEASING #3
(d/b/a Babcock & Brown Rail Leasing), as Lessor

By: _____

Name: _____

Title: _____

FIRSTENERGY GENERATION CORP., as Lessee

By: 

Name: V.P. Commodity Operations

Title: DONALD R. SCHNEIDER

STATE OF CALIFORNIA)

) SS:

COUNTY OF SAN FRANCISCO)

On this 3rd day of March, 2006 before me personally appears Ross Sullivan, to me personally known, who by me duly sworn, says that he is the Vice President of Babcock & Brown Rail Leasing (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Officers, and he acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



[SEAL]

Heidi Wagner
Notary Public

My Commission expires: June 4, 2006

STATE OF _____)

) SS:

COUNTY OF _____)

On this _____ day of March, 2006 before me personally appears _____, to me personally known, who by me duly sworn, says that he/she is the _____ of FirstEnergy Generation Corp. (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

[SEAL]

My Commission expires:

STATE OF CALIFORNIA)

) SS:

COUNTY OF SAN FRANCISCO)

On this _____ day of March, 2006 before me personally appears Ross Sullivan, to me personally known, who by me duly sworn, says that he is the Vice President of Babcock & Brown Rail Leasing (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Officers, and he acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

[SEAL]

My Commission expires:

STATE OF Ohio)

) SS:

COUNTY OF Summit)

On this 9th day of March, 2006 before me personally appears DR Schneider, to me personally known, who by me duly sworn, says that he/she is the VP Commodity Op of FirstEnergy Generation Corp. (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Lauraine V. Myers
Notary Public

[SEAL]

My Commission expires:

LAURAIN V. MYERS
RESIDENT SUMMIT COUNTY
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES 7-25-2007

EXHIBIT A

One Hundred and Nineteen (119) 4480 CF Aluminum body BethGon coal porter railcars,
286,000 lbs. GRL; AAR Car Type Code J311; built in 1999 by Johnstown America.

<u>Current Reporting</u>		<u>Replacement</u>		<u>Current Reporting</u>		<u>Replacement</u>	
<u>Marks and Numbers</u>		<u>Marks and Numbers</u>		<u>Marks and Numbers</u>		<u>Marks and Numbers</u>	
1	CWEX 24001	FEPX	990026	31	CWEX 24082	FEPX	990080
2	CWEX 24002	FEPX	990002	32	CWEX 24083	FEPX	990045
3	CWEX 24003	FEPX	990003	33	CWEX 24085	FEPX	990068
4	CWEX 24004	FEPX	990006	34	CWEX 24087	FEPX	990027
5	CWEX 24007	FEPX	990055	35	CWEX 24090	FEPX	990051
6	CWEX 24008	FEPX	990099	36	CWEX 24091	FEPX	990119
7	CWEX 24011	FEPX	990076	37	CWEX 24096	FEPX	990082
8	CWEX 24014	FEPX	990019	38	CWEX 24098	FEPX	990001
9	CWEX 24021	FEPX	990102	39	CWEX 24101	FEPX	990041
10	CWEX 24022	FEPX	990035	40	CWEX 24102	FEPX	990023
11	CWEX 24031	FEPX	990025	41	CWEX 24104	FEPX	990022
12	CWEX 24033	FEPX	990118	42	CWEX 24106	FEPX	990074
13	CWEX 24043	FEPX	990103	43	CWEX 24109	FEPX	990047
14	CWEX 24045	FEPX	990044	44	CWEX 24112	FEPX	990033
15	CWEX 24046	FEPX	990117	45	CWEX 24113	FEPX	990034
16	CWEX 24047	FEPX	990062	46	CWEX 24115	FEPX	990072
17	CWEX 24049	FEPX	990007	47	CWEX 24120	FEPX	990039
18	CWEX 24053	FEPX	990106	48	CWEX 24121	FEPX	990020
19	CWEX 24054	FEPX	990011	49	CWEX 24122	FEPX	990018
20	CWEX 24055	FEPX	990067	50	CWEX 24123	FEPX	990097
21	CWEX 24057	FEPX	990015	51	CWEX 24124	FEPX	990108
22	CWEX 24059	FEPX	990017	52	CWEX 24125	FEPX	990083
23	CWEX 24061	FEPX	990024	53	CWEX 24127	FEPX	990071
24	CWEX 24066	FEPX	990014	54	CWEX 24128	FEPX	990065
25	CWEX 24068	FEPX	990012	55	CWEX 24130	FEPX	990069
26	CWEX 24072	FEPX	990116	56	CWEX 24131	FEPX	990005
27	CWEX 24075	FEPX	990093	57	CWEX 24135	FEPX	990087
28	CWEX 24076	FEPX	990053	58	CWEX 24136	FEPX	990029
29	CWEX 24078	FEPX	990095	59	CWEX 24137	FEPX	990104
30	CWEX 24080	FEPX	990004	60	CWEX 24138	FEPX	990010

EXHIBIT A (CONT'D.)

One Hundred and Nineteen (119) 4480 CF Aluminum body BethGon coal porter railcars, 286,000 lbs. GRL; AAR Car Type Code J311; built in 1999 by Johnstown America.

<u>Current Reporting</u>		<u>Replacement</u>		<u>Current Reporting</u>		<u>Replacement</u>	
<u>Marks and Numbers</u>		<u>Marks and Numbers</u>		<u>Marks and Numbers</u>		<u>Marks and Numbers</u>	
61	CWEX 24139	FEPX	990048	91	CWEX 24192	FEPX	990073
62	CWEX 24140	FEPX	990085	92	CWEX 24193	FEPX	990060
63	CWEX 24143	FEPX	990113	93	CWEX 24194	FEPX	990061
64	CWEX 24144	FEPX	990096	94	CWEX 24195	FEPX	990100
65	CWEX 24145	FEPX	990109	95	CWEX 24197	FEPX	990009
66	CWEX 24146	FEPX	990115	96	CWEX 24200	FEPX	990043
67	CWEX 24147	FEPX	990084	97	CWEX 24202	FEPX	990086
68	CWEX 24151	FEPX	990052	98	CWEX 24203	FEPX	990021
69	CWEX 24152	FEPX	990089	99	CWEX 24204	FEPX	990032
70	CWEX 24153	FEPX	990078	100	CWEX 24205	FEPX	990049
71	CWEX 24160	FEPX	990088	101	CWEX 24206	FEPX	990046
72	CWEX 24161	FEPX	990059	102	CWEX 24207	FEPX	990098
73	CWEX 24162	FEPX	990050	103	CWEX 24209	FEPX	990101
74	CWEX 24163	FEPX	990028	104	CWEX 24210	FEPX	990030
75	CWEX 24164	FEPX	990094	105	CWEX 24214	FEPX	990091
76	CWEX 24165	FEPX	990037	106	CWEX 24216	FEPX	990038
77	CWEX 24169	FEPX	990092	107	CWEX 24218	FEPX	990110
78	CWEX 24170	FEPX	990081	108	CWEX 24219	FEPX	990054
79	CWEX 24172	FEPX	990031	109	CWEX 24221	FEPX	990112
80	CWEX 24175	FEPX	990040	110	CWEX 24223	FEPX	990016
81	CWEX 24176	FEPX	990077	111	CWEX 24224	FEPX	990057
82	CWEX 24177	FEPX	990079	112	CWEX 24225	FEPX	990090
83	CWEX 24178	FEPX	990063	113	CWEX 24228	FEPX	990105
84	CWEX 24179	FEPX	990064	114	CWEX 24229	FEPX	990066
85	CWEX 24180	FEPX	990036	115	CWEX 24230	FEPX	990042
86	CWEX 24183	FEPX	990075	116	CWEX 24232	FEPX	990107
87	CWEX 24184	FEPX	990008	117	CWEX 24233	FEPX	990070
88	CWEX 24186	FEPX	990058	118	CWEX 24234	FEPX	990056
89	CWEX 24187	FEPX	990114	119	CWEX 24236	FEPX	990111
90	CWEX 24191	FEPX	990013				

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

12/21/07



Robert W. Alvord